



Highlights of U.S. EPA Fiscal Year 2002 Enforcement and Compliance Program Accomplishments

Clean Air: Significant clean air settlements in FY2002 included a comprehensive Clean Air Act agreement with wood products industry giant **Boise Cascade Corporation** that will require reductions of up to 95 percent of the harmful emissions from the company's eight plywood and particle board plants. The plants are in Oregon, Washington, Louisiana and Idaho. The United States alleged that Boise Cascade modified and expanded its panel board operations over the past two decades without installing the proper air pollution control equipment to reduce harmful emissions as required by the CAA and state rules. Other CAA settlements included:

Conoco Inc., Navajo Refining Company and Montana Refining Company: In FY2002, the United States reached two comprehensive environmental settlements with Conoco Inc., Navajo Refining Company and Montana Refining Company to resolve CAA New Source Review/Prevention of Significant Deterioration (NSR/PSD) violations, leak detection and repair requirements governing fugitive emissions, and benzene emissions from wastewater treatment plants. Benzene emissions from wastewater treatment plants are the most significant sources of air emissions at refineries nationwide. The settlements are expected to reduce harmful air emissions from seven petroleum refineries by more than 10,000 tons per year. The states of Louisiana, Oklahoma, Montana, Colorado and New Mexico joined in the settlements. The companies plan to spend more than \$15 million over eight years to reduce emissions.

PSEG Fossil LLC: The United States and the State of New Jersey announced on Jan. 24, 2002, a major settlement involving PSEG Fossil LLC under which the company will spend more than \$337 million to install state-of-the-art pollution controls to eliminate the vast majority of sulfur dioxide and nitrogen oxide emissions from its Hudson and Mercer coal-fired power plants in Jersey City and Hamilton, N.J. The consent decree resolves violations associated with NSR/PSD standards.

Clean Water: In FY2002, EPA reached a major settlement with **Iowa Beef Packers Inc.** (IBP), the world's largest meatpacker, for violating numerous environmental laws in Nebraska, Iowa, Kansas, and Texas. Under the settlement, IBP committed to construct additional wastewater treatment systems at its Dakota City, Neb., plant to reduce ammonia discharges to the Missouri River, and make improvements that will significantly reduce hydrogen sulfide air emissions. The company also paid \$4.1 million in civil penalties.

Premium Standard Farms (PSF) and Continental Grains Company (CGC): In FY2002, in a settlement reached with the United States and the Citizens Legal Environmental Action Network, PSF and CGC agreed to spend an estimated \$50 million

to develop and install cleaner wastewater treatment technologies never before used in large-scale farm operations. The companies, which together comprise the second largest producer of hogs in the United States, entered into the settlement to resolve environmental violations at their large-scale farms, known as concentrated animal feeding operations (CAFOs), in Missouri.

Allegheny Ludlum Steel Corporation: In February 2002, Judge Robert C. Cindrich, U.S. District Court for the Western District of Pennsylvania, ordered Allegheny Ludlum Steel Corporation to pay the second highest penalty awarded to the United States after trial under the Clean Water Act. Allegheny Ludlum was ordered to pay \$8.2 million for violations at its steel mills on the Allegheny and Kiskiminetas Rivers near Pittsburgh, Pa. This penalty represents twice the amount of money the corporation saved (\$4.1 million) from its delay and failure to invest in the necessary environmental controls over a seven-year period to prevent the violations.

Combined Sewer Overflow/Sanitary Sewer Overflows: In FY2002, EPA reached eight nationally significant Clean Water Act settlements with municipalities, including the Borough of Indiana, Penn., Baltimore, New Albany and Anderson, Ind., Youngstown, Ohio, Baton Rouge, Greenwich, Conn., and Mobile, Ala., to eliminate or reduce unpermitted raw sewage discharges from combined, and sanitary sewer systems. Raw sewage can seriously degrade water quality, kill aquatic life and threaten public health. Under the settlements, the affected cities are required to make extensive improvements to their sewage treatment and collection system, and develop and implement a long-term control plan to reduce or eliminate wet weather discharges. In the Baton Rouge, La., case alone, EPA's action will eliminate 1.2 billion gallons of raw sewage annually.

Solid and hazardous waste: In FY2002, U.S. EPA announced the settlement of one of the largest hazardous wastes cases in history with the filing of a consent decree on Dec. 13, 2001 involving **Mobil Oil Corporation**. The case alleged mismanagement of benzene-contaminated waste at Port Mobil, a major petroleum storage and distribution terminal on Arthur Kill waterway in Staten Island, NY. Benzene is a known human carcinogen. Under the settlement, ExxonMobil agreed to pay a civil penalty of \$11.2 million. The company also agreed to spend \$3 million to purchase or restore environmentally sensitive lands in New York City along the Arthur Kill waterway. Injunctive relief in the settlement requires cleanup at Port Mobil.

Lead Paint: In FY2002 the Administration undertook a series of enforcement actions to protect the public from exposure to lead-based paint hazards. For example, in October 2001, EPA reached settlements with three landlords in Chicago for failure to warn their tenants that their homes may contain lead-based paint hazards. The three agreed to test for and cleanup any lead-based paint found in their properties—nearly 10,000 apartments in Chicago and Cincinnati—and pay \$90,000 in penalties.

Apartment Investment and Management Co. (AIMCO): In January 2002, EPA and the Department of Housing and Urban Development reached a landmark settlement with one of the nation's largest property management firms, the Denver-based Apartment

Investment and Management Co. (AIMCO). Under the terms of the settlement, residents living in hundreds of thousands of apartments in 47 states and Washington, D.C., will now have lead-safe units. The United States alleged that AIMCO allegedly failed to warn its tenants that their homes may contain lead-based paint hazards in violation of the Residential Lead-Based Paint Hazard Reduction Act. Under the settlement, AIMCO agreed to test and clean up lead-based paint hazards in more than 130,000 apartments nationwide and pay a \$129,580 penalty. The penalty and the number of units being tested and cleaned are the largest ever in a lead disclosure settlement.

Criminal Enforcement: In the first criminal case in the U.S. involving a violation of the Lead Hazard Reduction Act, **David Nuyen**, a landlord who owned or managed approximately 15 low-income apartment buildings in the Washington, D.C. area, was sentenced to two years' imprisonment for obstructing an investigation by the U.S. Department of Housing and Urban Development and making false statements to federal officials in order to conceal his failure to notify tenants of the presence of, and hazards associated with lead-based paint in the buildings. Eleven children who lived in the buildings were found to have elevated levels of lead in their blood.

James Aneckstein: James Aneckstein of Manchester, NH., was sentenced to serve 15 months in prison and pay a \$40,000 fine for failing to notify a tenant about lead-based paint hazards after he and his firm, JTA Real Estate, had previously pled guilty to obstructing justice, making false statements, and failing to properly notify tenants about lead paint hazards. EPA began its investigation after the Manchester Health Department concluded that the death of a little girl, two-year-old Sunday Abek, who lived with her mother in an apartment managed by Aneckstein, was "most likely" caused by exposure to lead paint and lead-contaminated dust in and around the apartment. When investigators contacted Aneckstein to determine if he had complied with the lead notification rule when he leased the apartment to Sunday's mother, he gave them forged and fictitious documents falsely certifying that her mother, as well as other tenants living in the building, had been given the required notification.

Norwegian Cruise Line, Ltd: The seventh major case against a cruise line for dumping at sea, Norwegian Cruise Line, Ltd. (NCL), pled guilty and agreed to pay a \$1 million fine and an additional \$500,000 to environmental community service projects in South Florida. NCL admitted to violating the Act to Prevent Pollution from Ships by misleading the U.S. Coast Guard. For several years, NCL concealed the illegal discharge of oil-contaminated bilge waste into the ocean from the SS Norway and at least one other ship by making false statements in the ships' oil record books. After the dumping was reported to EPA by an NCL employee, the company conducted an internal audit and has cooperated with the government's investigation. Dumping oily bilge waste into the ocean can harm fish and other aquatic life.

Caleb Brett USA: The former president and two managers of Caleb Brett USA, received fines, prison sentences and/or probation for a conspiracy to mislead investigators about a scheme to falsify chemical analyses involving hundreds of millions of gallons of reformulated gasoline (RFG). The conspiracy included falsification of laboratory reports on various petroleum fuels over a 10-year period. The scheme was designed to make it

appear that the fuels met commercial and regulatory requirements, including cleaner-burning standards of the EPA, when, in fact, they did not. Falsifying laboratory reports on fuels can lead to increases in air pollution, which can cause respiratory diseases. Last year, the company was sentenced to pay an aggregate \$1 million fine and serve three years' probation for its part in a conspiracy.

Supplemental Environmental Projects: As a result of enforcement settlements, violators agreed to spend more than \$56 million in supplemental environmental projects. Supplemental environmental projects are those projects that a violator agrees to undertake to protect the environment and human health beyond required injunctive relief in exchange for a penalty reduction. Significant projects in FY2002 included:

City of Mobile, Ala.: The Board of Water and Sewer Commissioners of the City of Mobile, Ala., will install new private residential sewer lines in low income areas; fund the acquisition of environmentally valuable habitat in Mobile County through the Alabama Forever Wild Program; fund the acquisition of environmentally valuable habitat in the Dog River watershed in Mobile County; and partially fund the creation and maintenance of publically available database of water quality monitoring in Mobile County.

Boise Cascade: The company agreed to install and operate control technology at two facilities that will result in estimated 95 percent reduction of volatile organic compound emissions from facility dryers, and at one facility will construct and install equipment on a fuel boiler that is designed to improve combustion efficiency and reduce carbon monoxide emissions.